



The City of Rye, New York
Popular Annual Financial Report
Fiscal Year Ended December 31, 2003



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City Comptroller
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CITY OF RYE
Department of Finance

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June 21, 2004

Dear Residents and Friends,

Welcome to the first issue of the City of Rye, New York's *Popular Annual Financial Report*, which presents the City's financial activity in a concise and easy to read format. The information contained in this report was derived from the City's *Comprehensive Annual Financial Report* ("CAFR") for the fiscal year ending December 31, 2003. A copy of the CAFR is available at City Hall (1051 Boston Post Road, Rye, New York 10580) the Rye Free Reading Room (1061 Boston Post Road, Rye, New York 10580), and on the City's website (<http://www.ryeny.gov/finance/Reports/finrpts.htm>).

This Popular Annual Financial Report presents the financial information for all City operations, including the City's marina and golf club business-type operations.

The information contained in this report is unaudited, and not in accordance with generally accepted accounting principles due to the condensed and simplified presentation and absence of notes to the financial statements. Responsibility for the accuracy and completeness of this Popular Annual Financial Report rests with City management. Those seeking a deeper understanding of the City and its operations, a discussion and analysis of the City's financial activity and year-end financial position, or statistical data that may be used for trend analysis are encouraged to review a copy of the City's audited CAFR.

As always, we invite your comments, questions and suggestions.

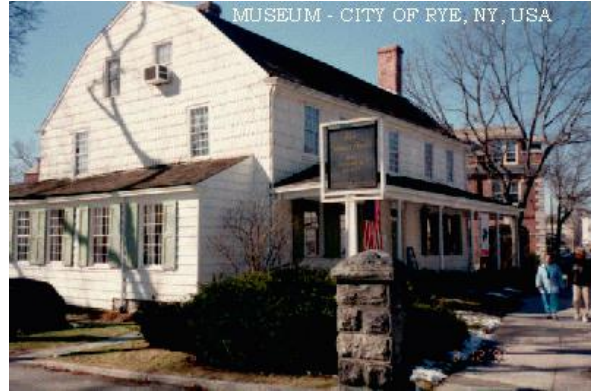
Sincerely,
CITY OF RYE

Michael A. Genito
Assistant City Manager
City Comptroller

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A Brief History of the City of Rye, New York

Rye, New York is the oldest permanent settlement in Westchester County. It began in 1660 when a small group of settlers from Greenwich, Connecticut purchased tracts of land from the Mohegan Indians. In 1665, Connecticut merged these settlements under the name of Rye in honor of the ancient Town of Rye, England. In 1683, King Charles II ceded Rye to the Province of New York as a gift to his brother, the Duke of York. In 1695 a New York court severed the Harrison area from the settlement and Rye once again became a part of Connecticut. In 1700 a royal decree made Rye a permanent part of New York, and in 1788 the New York State Legislature officially established the Town of Rye boundaries. The Rye/Oyster Bay ferry (which began service in 1739) and the New York City/Boston stagecoach (which began service in 1772) provided transportation to and from Rye. Rye's Square House Inn (circa 1730) was a popular stopping place for travelers. In the 1800's, steamboat and rail service between Rye and New York City made Rye a popular summer resort.



The community residing in the originally settled area became disenchanted with the Town of Rye. On September 12, 1904 the taxpayers voted to become the Village of Rye. Eventually, the residents desired the many advantages of city status and complete independence from Town government. In 1940, the New York State Legislature approved and the residents adopted the Rye City Charter. On January 1, 1942, Rye became Westchester County's sixth and smallest city.

The City of Rye still retains many historical landmarks, including the original home site and burial place of John Jay, first chief justice of the United States; the Timothy-Knapp house, built in the 1660's; the Square House, now a museum; the 24th, 25th, and 26th milestones to New York City fixed by Benjamin Franklin along the Post Road in 1763; 51 Milton Road, a colonial building dating back to 1788 and currently the Rye Arts Center; the Milton and Purdy cemeteries with gravestones of two centuries ago, and the original Milton district school house, built in 1830 and now a private residence.



Franklin Milestone

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Elected Officials

Steven Otis, Mayor
Franklin J. Chu, Council Member
Carolyn C. Cunningham, Council Member
Robert S. Cypher, Council Member
Robert H. Hutchings, Council Member
Rosamond Larr, Council Member
Douglas McKean, Council Member

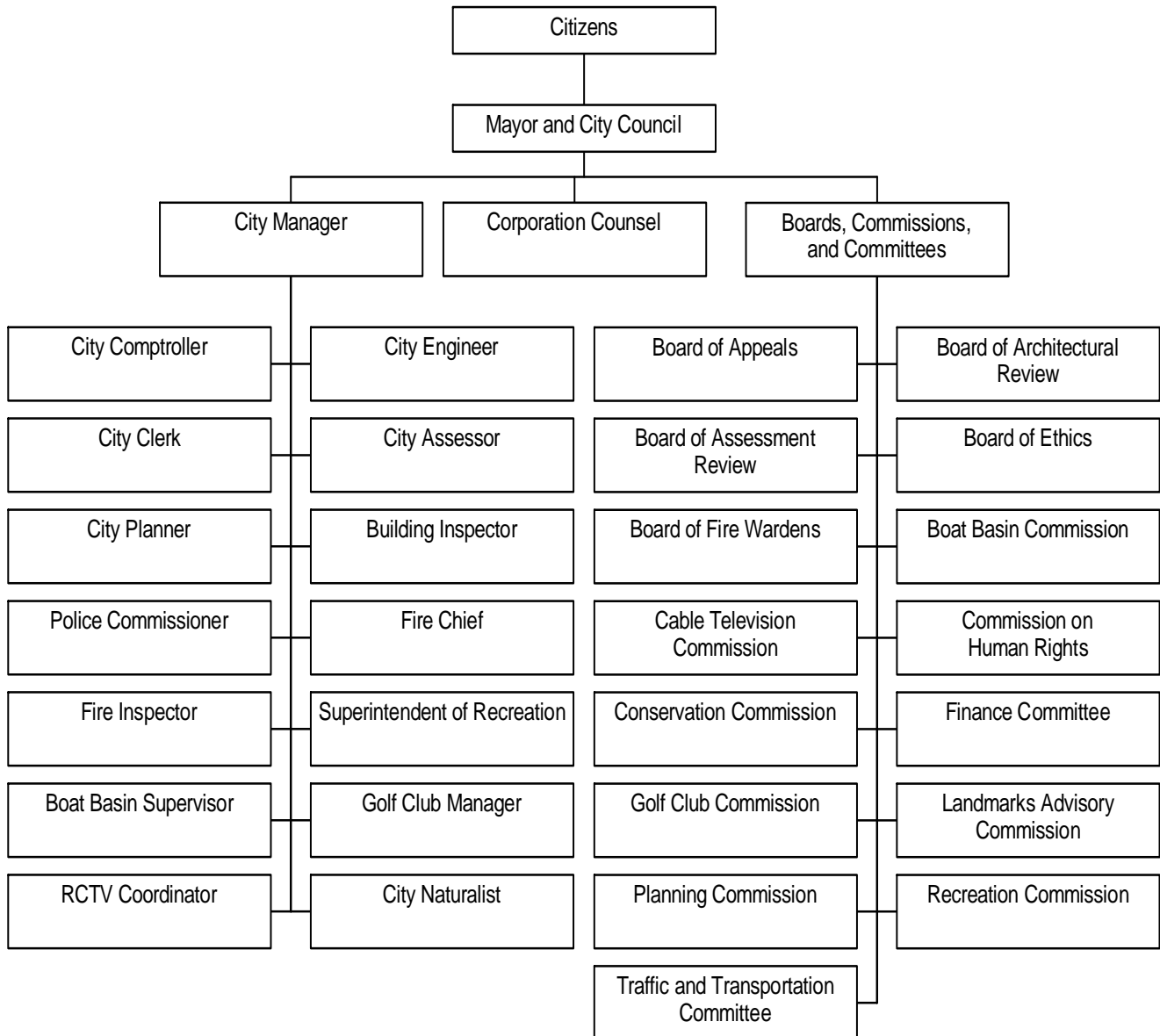
Appointed Officials

O. Paul Shew, City Manager
Michael A. Genito, City Comptroller
Kevin J. Plunkett, Corporation Counsel
George J. Mottarella, City Engineer
Susan Morison, City Clerk
Noreen Whitty, City Assessor
Christian Miller, City Planner
Vincenzo Tamburro, Building Inspector
William R. Connors, Police Commissioner
George Hogben, Fire Chief
James Dianni, Fire Inspector
William T. Rodriguez, Superintendent of Recreation
Peter Fox, Boat Basin Supervisor
Scott Yandrasevich, Golf Club Manager
James Kenny, RCTV Coordinator
Chantal Detlefs, City Naturalist

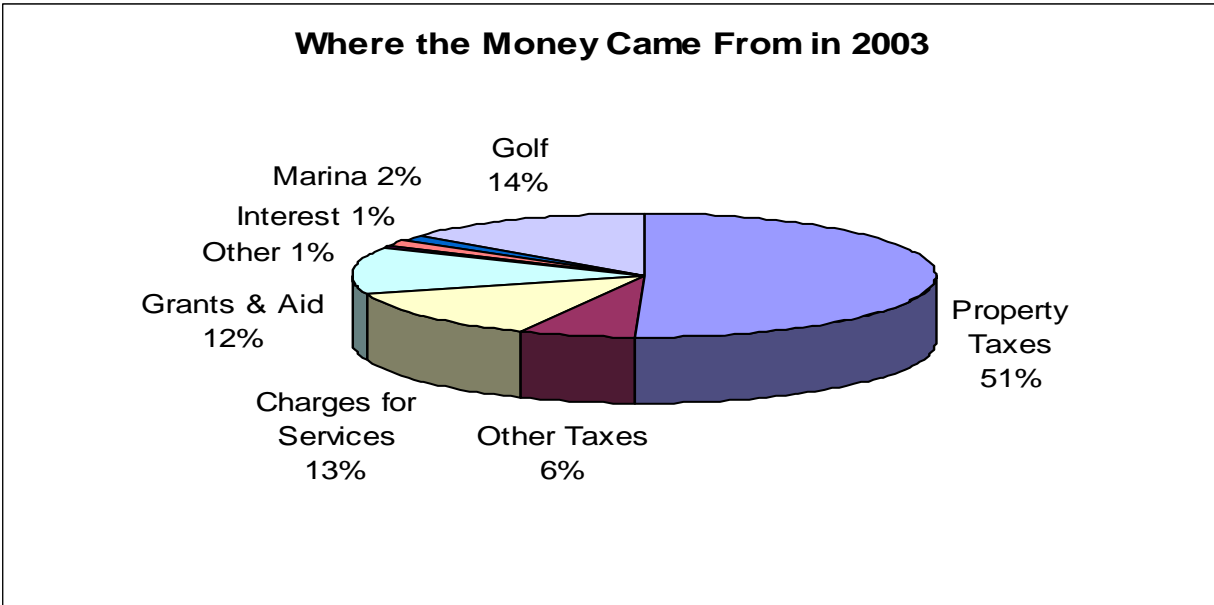
Visit the City of Rye, New York website:
<http://www.ryeny.gov>

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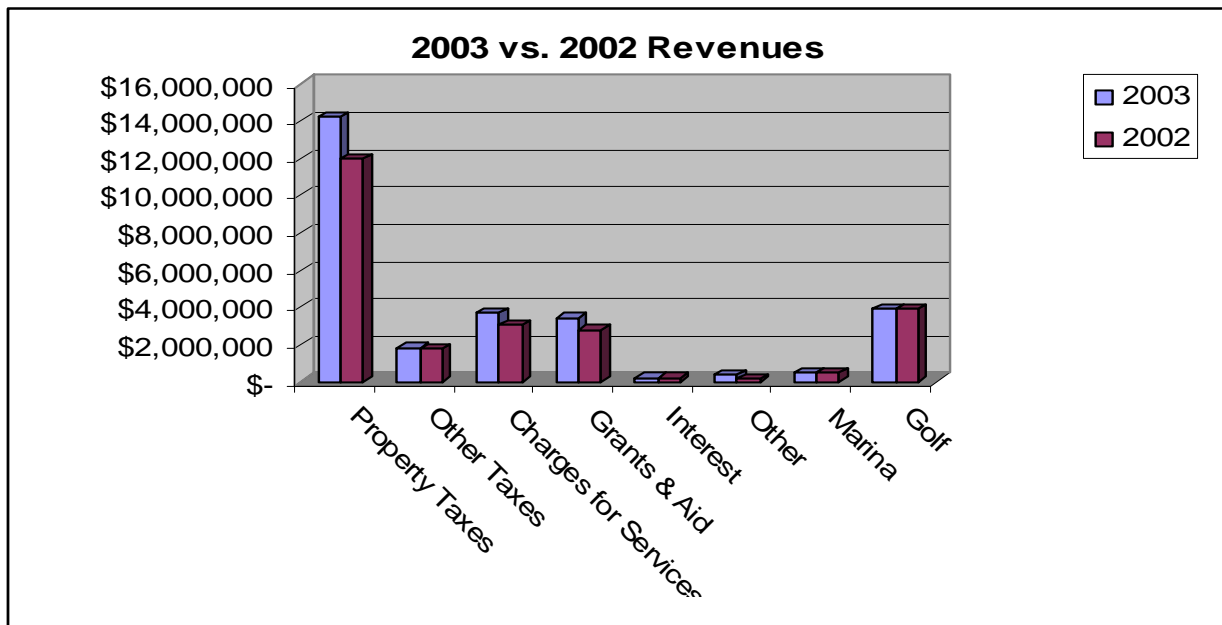
City of Rye, New York Organization Chart



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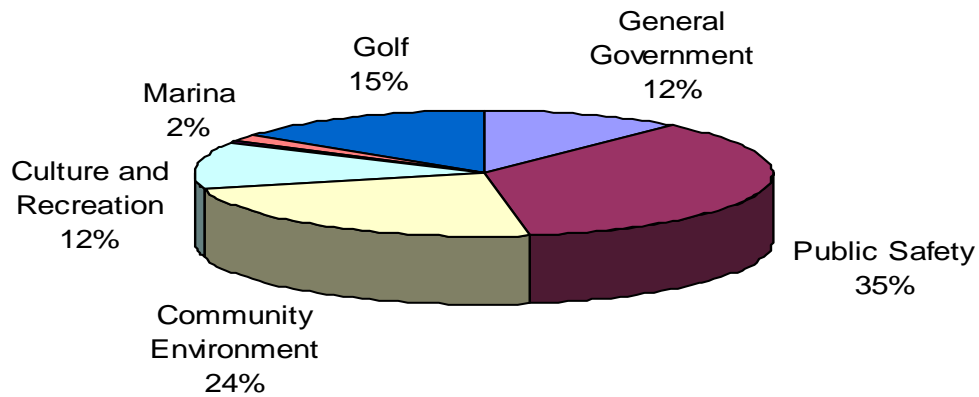


By far, the City's greatest single source of revenue is property taxes, with 2003 bringing in \$14,222,097. Another \$1,817,378 was collected in other taxes. City departments collected \$3,717,940 in charges and fees for services, and the City received \$3,457,160 in grants and aid. Interest earned on deposits and investments amounted to \$204,065 and \$347,955 was received from a variety of miscellaneous sources. The City's "business-type" operations (marina and golf club) are designed to recover 100% of their costs, including debt payments and depreciation (in other words, at no cost to the taxpayer). In 2003 marina operations brought in \$482,094 and golf club operations brought in \$3,922,787. A comparison of the revenues of 2003 compared to those of 2002 is presented below.



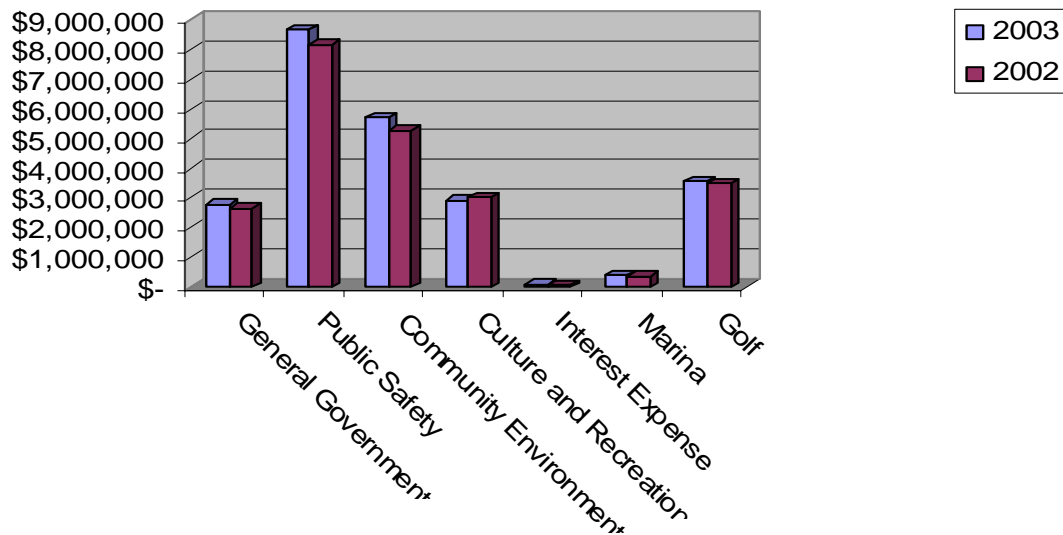
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Where the Money Went in 2003



As can be seen from the chart above, over one-third of the City's 2003 expenses (\$8,655,151) went to public safety (police, fire, emergency medical services, building inspection); approximately one-fourth (\$5,693,349) was spent on community environment (streets, drains, sewers, shade trees, community beautification); general government (city manager, city council, finance, law, city clerk, assessment) accounted for 12% (\$2,777,827) of expenses and general culture and recreation accounted for another 12% (\$2,921,669) of expenses. Marina operation expenses of \$413,260 (2%) and golf club operation expenses of \$3,569,892 (15%) complete the picture of 2003 expenses.

2003 vs. 2002 Expenses



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The City's statement of net assets provides a "snapshot" of where it stood financially (amounts possessed, amounts owed, and amounts owned) on the last day (December 31) of the fiscal year. Net assets represent the City's ownership (equity) in the assets within its possession.

A portion of this ownership (invested in capital assets, net of related debt) represents the City's investment in capital assets - land, buildings, improvements, equipment, and infrastructure (streets, drains, sewers, etc.).

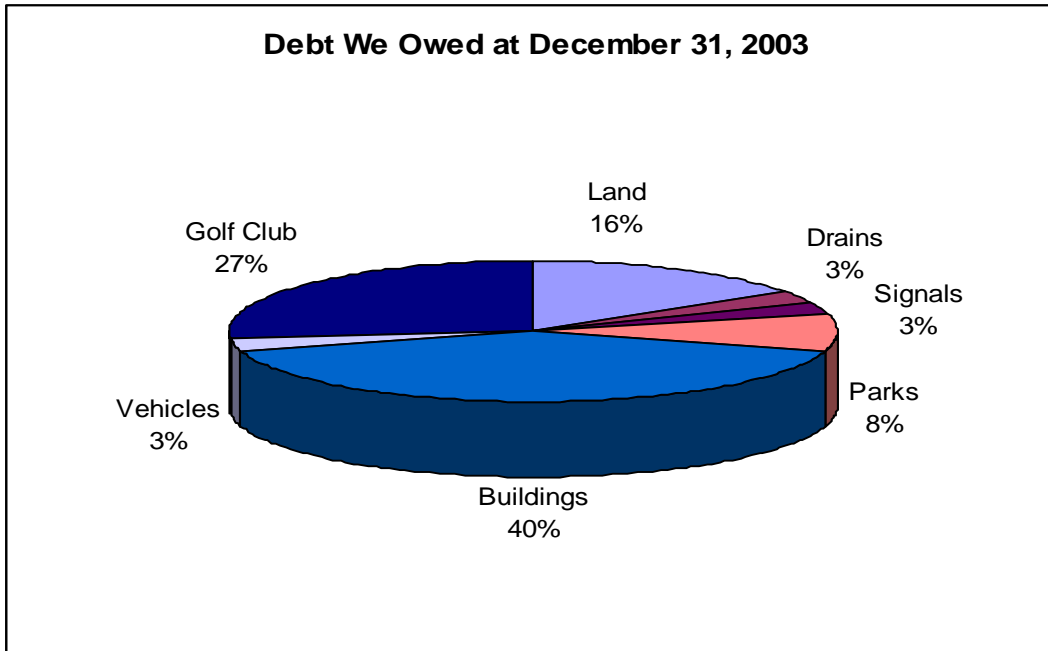
Another portion (restricted net assets) represents assets that can only be

used for the redemption of debt, purposes specified by law or trust agreements, or having other external restrictions. Unrestricted net assets represent amounts that may be used by the City for any legal purpose. The City has adopted a written *Comprehensive Financial Policy Document* that provides for the retention and use of its unrestricted net assets, copies of which are available at City Hall, the Rye Free Reading Room, and on the City's website (<http://www.ryeny.gov/finance/Reports/finrpts.htm>).

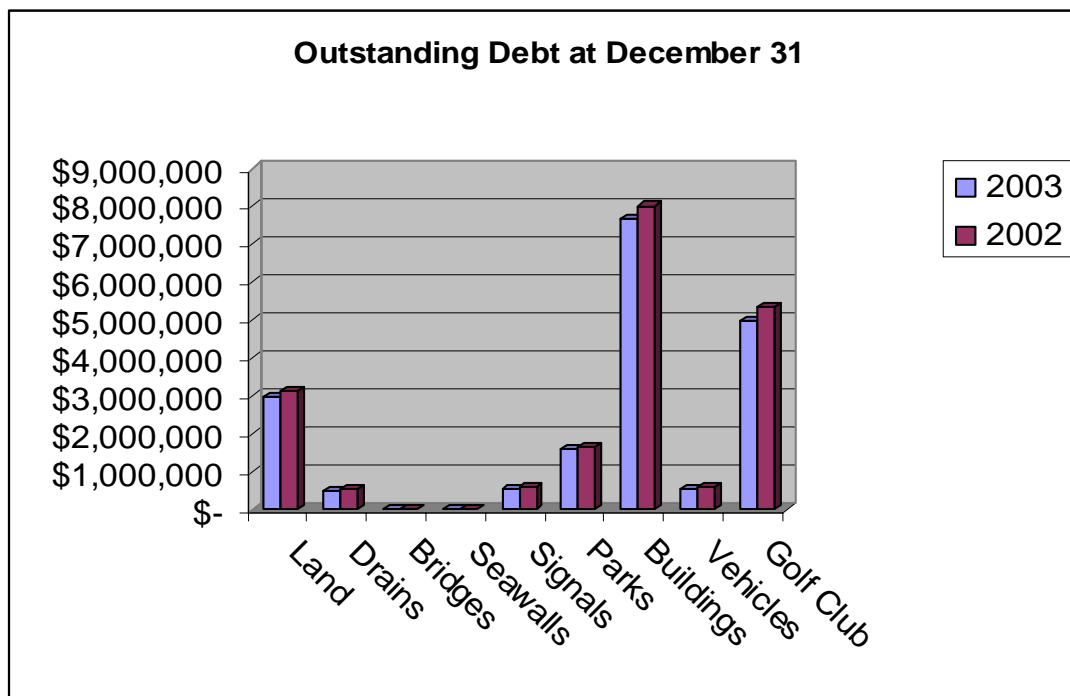
From 2002 to 2003 our net assets increased by \$4,035,195. Of this amount, the City increased its investment in capital assets by \$1,098,286, reduced restricted net assets by \$209,324, and increased unrestricted net assets by \$3,146,233. At December 31, 2003, unrestricted net assets represented 27% of 2003 revenues and 31% of 2003 expenses.

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Where We Stood at December 31		
	<u>2003</u>	<u>2002</u>
Assets:		
Cash and investments	\$ 17,536,475	\$ 18,109,977
Receivables	1,790,199	1,900,038
Prepaid expenses	545,690	210,807
Capital assets, net of depreciation	<u>30,960,722</u>	<u>28,158,644</u>
Total Assets	<u>50,833,086</u>	<u>48,379,466</u>
Liabilities:		
Accounts payable	1,471,316	1,736,129
Accrued liabilities	352,811	390,187
Deferred revenues	246,414	699,472
Bonds and notes payable	18,805,000	19,829,500
Other liabilities	<u>1,408,124</u>	<u>1,209,952</u>
Total Liabilities	<u>22,283,665</u>	<u>23,865,240</u>
Net Assets:		
Invested in capital assets, net of related debt	19,663,498	18,565,212
Restricted net assets	1,304,649	1,513,973
Unrestricted net assets	<u>7,581,274</u>	<u>4,435,041</u>
Total Net Assets	<u>\$ 28,549,421</u>	<u>\$ 24,514,226</u>



The City's total outstanding debt includes all long-term debt (serial bonds) and short-term debt (notes payable). In fiscal 2003 the City issued no new debt, and reduced its debt outstanding by \$1,024,500 from \$19,829,500 to \$18,805,000. In addition to a New York State constitutional debt limit, the Rye City Charter and the City's debt policy provide for further limits on the issuance of debt.



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We hope you have enjoyed reading the City of Rye Popular Annual Financial Report, and invite you to read our other award winning documents, the *Comprehensive Annual Financial Report* and the *Annual Budget Document*. These and many other interesting City publications may be found at <http://www.ryeny.gov/finance/Reports/finrpts.htm>.

In closing, we offer some trivia tidbits about the City of Rye, New York:

The City Seal

The City's seal depicts three important dates in the history of the City:

- 1660 – The year Rye was settled, represented by a peace pipe.
- 1904 – The year Rye was incorporated as a village, represented by a torch of progress.
- 1942 – The year Rye was incorporated as a City.



The ship in the center is copied from the seal of the ancient Town of Rye, England.



Census 2000 data for the City includes the following:

Population	14,955
Median age	38.1
Median household income.....	\$110,894
Median family income.....	\$133,231
Per capita income	\$76,566
Median value, single-family home	\$635,700

Rye, New York...

...was once a major commercial seaport, shipping produce grown in the Rye area to New York City, and Rye's Milton Harbor was a famous shipbuilding port.

...is one of the few communities in the United States that owns a section of U.S. Route 1 on the east coast, having purchased it from the federal government in the 1950's.

...is among only a handful of small cities in the United States that have a "triple A" (Aaa) debt rating from Moody's Investor Services.



Rye City Police Booth

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Useful Area Telephone Numbers (Area Code 914)

Metro-North Railroad (Rye)	967-3873
Rye City School District	967-6100
Rye Marriage Officer (Mary Ann Ilse)	967-2390
Rye Free Reading Room.....	967-0480
Rye Playland	813-7000
Rye Historical Society (Square House)	967-7588
Rye Manor (Senior Housing).....	967-5023
Rye Town Park	967-0996
Westchester County Board of Elections.....	995-5700
Westchester County Clerk	995-3080
Westchester County Information	995-2000
Westchester County Transportation	813-7777
Westchester Journal News.....	694-9300
Westchester Shore Humane Society	835-3332



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